

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF  
NEBRASKA

IN THE MATTER OF: ) Case No. BK 05-43452  
Douglas Dale Johnson ) (Chapter 7)  
Debtor. )  
)

---

Brunswick State Bank, ) A05- \_\_\_\_\_  
Plaintiff, )  
vs. )  
Douglas Dale Johnson, ) COMPLAINT  
Defendant. )  
)

Brunswick State Bank, a creditor herein, for its complaint, state and alleges as follows:

Parties and Jurisdiction

1. This is a voluntary Chapter 7 bankruptcy commenced by voluntary petition filed August 29, 2005.
2. Brunswick State Bank is a state chartered banking institution doing business in Brunswick, Antelope County, Nebraska [hereinafter "Bank"].
3. Debtor Douglas Dale Johnson, is an individual residing in Boyd County, Nebraska [hereinafter "Debtor"].
4. This Court has jurisdiction under 28 U.S. C. §1334. Venue is proper under 28 U.S.C. §1409. This is a core proceeding under 28 U.S.C. §157(d)(2)(I) and (J).

5. Debtor has had a customer relationship with Bank for several years prior to 2004.

Count I

(Non-dischargeability under 11 U.S.C. §523(a) (2))

6. The allegations of Paragraph 1 through 5 hereof are incorporated herein by this reference.

7. On August 9, 2004, in order to obtain a loan, Douglas Johnson pointed out and identified to Denny Pierce, a Bank Officer, 28 fat cattle, 3 feeder calves and one cow/calf pair at his father's facilities in Boyd County, Nebraska representing that the cattle identified were the property of the Debtor.

8. On August 9, 2004, in order to obtain a loan, Douglas Johnson made and executed a statement in writing in which he warranted and represented that he was owner of record, free and clear of all encumbrances other than those of the Bank, of the identified 28 fat cattle, 3 feeder calves, and one cow/calf pair, 10 tons of hay, and 3 tons of straw, stating "cattle are in good shape will have Fats ready to sell within 60 days." A true and correct copy of that statement is attached hereto as Attachment A and incorporated herein by reference.

9. In reliance upon such written representations and oral representations described in Paragraphs 7 and 8 above, on August 10, 2004, Bank made a loan of \$9,200.00 to Debtor as represented by a promissory note made and declined by Debtor to Bank, a true and correct copy of which is attached hereto as Attachment B and incorporated herein by reference.

10. In further reliance upon the representations made as described in Paragraphs 7 and 8 above, Debtor signed and delivered to bank a Commercial Security

Agreement dated August 11, 2004 a true and correct copy of which is attached as Attachment C hereto to secure said indebtedness. This security interest in Accounts, Inventory, Equipment, Farm Products and other personal property as described therein was properly perfected by recording of a U.C.C. Financing Statement with the Secretary of State's office on August 30, 2004, proof of filing of which is attached hereto and incorporated herein as Attachment D. The Bank's interests were also protected by filing a Nebraska Effective Financing Statement on August 30, 2004, a true and correct copy is attached hereto as Attachment E.

11. On information and belief, Bank alleges that the oral representations described in paragraph 7 above were false; that Debtor knew that said representations was false; that Debtor made such representations to induce Bank to rely thereon; that Bank did reasonably rely thereon to its detriment; and Bank extended credit and advanced funds to Debtor in reliance thereon.

12. On information and belief, Bank alleges that the written representations described in paragraph 8 above were false; that Debtor knew that said representation was false; that Debtor made such representation that the same to induce Bank to rely thereon; that Bank did reasonably rely thereon to its detriment; and Bank extended credit and advanced funds to Debtor in reliance thereon.

13. At the time this bankruptcy was filed, Debtor was indebted to Bank on the promissory note dated August 10, 2004, Attachment B, in the principal amount of \$6,257.13 plus accrued interest thereon at 8% per annum from and after July 19, 2005.

14. The loan evidenced by Attachment B attached hereto is and should be declared non-dischargeable under 11 U.S.C. §523 (a)(2) (A) and (B).

Count II

( Non-Dischargeability under 11 U.S.C. §523 (a)(2))

15. The allegations of Paragraph 1 through 14 hereof are incorporated herein by this reference.

16. On November 12, 2004, Debtor signed and made written representations to the Bank of Debtor's ownership of 35 fat cattle and \$3000.00 worth of machinery as set forth in Attachment F hereto,

17. On November 12, 2004, in reliance upon the representations set forth in Attachment F hereto, Bank renewed and extended a line of credit to Debtor, renewing a balance due and allowing additional draws under a Note dated November 12 2004, a true and correct copy of which is attached hereto as Attachment G.

18. Debtor thereafter took additional advances from the Bank on the line of credit stating that the funds were to be used to purchase six more feeder steers.

19. Notwithstanding such representations and notwithstanding the failure to obtain any permission to sell or dispose of cattle, Debtor now claims to own only five calves and a calf feeder as collateral for Bank's loan as set forth in the schedules filed herein. Debtor has admitted that such statement was false and claims that the cattle he did have subsequently died.

20. Debtor obtained money and extension of credit from Bank by making a materially false representations to Bank, orally and in writing, as to ownership of cattle on August 9, 2004 and in a written statement made and delivered November 12, 2004 upon which representation Bank relied to extend credit to Debtor which reliance was intended to be induced reliance and which proximately caused loss or damage to Bank.

21. The loan evidenced by Attachment G attached hereto is and should be declared non-dischargeable under 11 U.S.C. §523 (a)(2) (A) and (B).

Count III

(Denial of Discharge under 11 U.S.C. §727(a) (4))

22. The allegations of Paragraph 1 through 21 hereof are incorporated herein by this reference.

23. In his Statement of Affairs filed in this case on August 28, 2005 in the case and in connection with the case with fraudulent intent to deceive, Debtor stated that in response Item 8 that he had "None" in response to inquiry as to casualty losses in the passed year under penalty of perjury.

24. In a 2004 Examination under oath on October 11, 2005 and in connection with the case with fraudulent intent to deceive, Debtor swore that the Statement of Affairs was true and correct.

25. In a 2004 Examination under oath on October 11, 2005 and in connection with the case with fraudulent intent to deceive, Debtor swore that he lost 13 head of fat cattle to pneumonia and that a cow died later in August.

26. On information and belief, one or more of the foregoing statements is statements were false, known to be false and were made with intent to deceive creditors, including Bank.

27. As a result of such actions, Debtor should be denied a discharge under 11 U.S.C. §727(a) (4).

Count IV

(Denial of discharge under 11 U.S.C. §727(a)(5)

28. The allegations of Paragraph 1 through 26 hereof are incorporated herein by this reference.

29. Debtor has failed to satisfactorily explain the loss of cattle and other assets as listed on the written statements made August 9, 2004 and November 12, 2004.

30. Debtor should be denied a discharge under 11 U.S.C. §727(a)(5).

Count V

(Non-Dischargeability under 11 U.S.C. §523 (a)(6))

31. The allegations of Paragraph 1 through 30 hereof are incorporated herein by this reference.

32. Debtor is a livestock representative for Stockman's Livestock in Yankton South Dakota.

33. On information and belief, Debtor may have sold and disposed of collateral of the Bank without its consent or knowledge.

34. If the evidence shows sale of cattle without consent or knowledge of the Bank, then on information and belief, Bank alleges that Debtor has willfully converted, harmed and destroyed its property interest in said cattle.

35. If the evidence so establishes that Debtor willfully converted, harmed and destroyed Bank's property interest in said cattle, then Debtor's obligations to the Bank should be declared non-dischargeable under 11 U.S.C. §523 (a) (6).

Count VI

36. On August 10, 2004, Debtor made, executed, and delivered to Bank, Promissory Note 10110 in the principal sum of \$9,200.00, a true and correct copy of which is attached hereto as Attachment B.

37. Bank advanced to Debtor, at Debtor's request the sum of \$9,200.00 on August 10, 2004.

38. Bank is and has been the holder of said note at all times.

39. From time to time Debtor made payments on said Note and is entitled to credits thereon.

40. If Debtor's obligations on said Note should be declared non-dischargeable as set forth above, then Bank is entitled to judgment in its favor and as against Debtor for \$6,257.13 plus accrued interest thereon at 8% per annum from and after July 19, 2005, less credit for any other payments made thereon or due thereon, plus for costs and attorneys fees as allowed by law.

COUNT VII

41. On November 12, 2004, Debtor made, executed, and delivered to Bank, Promissory Note 10110 in the principal sum of \$25,000.00, a true and correct copy of which is attached hereto as Attachment F.

42. Bank advanced to Debtor, at Debtor's request the sum of \$25,000.00 principal.

43. Bank is and has been the holder of said note at all times.

44. Debtor's obligations on said Note should be declared nondischargeable as set forth above.

45. If Debtor's obligations on said Note should be declared non-dischargeable as set forth above, then Bank is entitled to judgment in its favor and as against Debtor for \$25,000.00 plus accrued interest thereon, less credit for any other payments made thereon or due thereon, plus for costs and attorneys fees as allowed by law.

WHEREFORE, Brunswick State Bank prays for judgment in its favor and against Douglas Dale Johnson as follows:

- A. To determine that the debts due to Bank are not dischargeable under 11 U.S.C. §523 and are excepted from discharge thereunder.
- B. To have all debts declared nondischargeable for under 11 U.S.C. §727 and for Debtor to be denied discharge thereon for the acts specified above.
- C. For judgment upon the Notes plus interest thereon in accordance with law as set forth above.
- D. For recovery of costs and attorneys fees in accordance with law.

BRUNSWICK STATE BANK, Creditor

BY:

  
\_\_\_\_\_  
Victor E. Covalt III #16539  
Ballew Schneider & Covalt  
Attorneys at Law, PC LLO  
P.O. Box 81229  
Lincoln, NE 68501-1229  
Tel: 402-436-3030  
Fax: 402-436-3031  
Its Attorneys

Loan Collateral Report to the Brunswick State Bank

Borrower Dang Johnson		Address Wynch, NC		
Date 8-9-04				
LIVESTOCK				
No. head	Description	Weight Age	Value per lb. Per hd.	Extended dollars
38	fat cattle	800-100#	550#	88,000
3	Feeder calves	550#	500#	1,650
10	Calves			11,000

GRAIN, HAY, FEED

The undersigned represents and warrants that all of the property described in this report (front & back-sides) is owned by the undersigned, free and clear of all encumbrances other than to the Brunswick State Bank.

*Dean Price* *Wayne Johnson*  
Inspector/Witness Owner

To be completed by a bank loan officer

Sec Agreement date		Total debt to BSB 34200.00 first.
Financing Stmt original, extension, transition dates	Comments, calculations, etc.	<p>cattle all in good shape will have Fats ready to sell within 60 days</p>

## Documents.InspectionStmts.xls

## **EXHIBIT**

ALL-STATE LEGAL®

DOUG JOHNSON PO BOX 352 LYNCH, NE 88746	Brunswick State Bank 314 Main St POB 131 Winnatka, NE 88789	Loan Number <u>100923</u> Date <u>08-10-2004</u> Maturity Date <u>07-20-2007</u> Loan Amount \$ <u>9,200.00</u> Renewal Of <u>61111</u>
BORROWER'S NAME AND ADDRESS "I" includes each borrower above, jointly and severally.		LENDER'S NAME AND ADDRESS "You" means the lender, its successors and assigns.

For value received, I promise to pay to you, or your order, at your address listed above the PRINCIPAL sum of Nine thousand two hundred and no/100 Dollars 9,200.00

**Single Advance:** I will receive all of this principal sum on 08-10-2004. No additional advances are contemplated under this note.

**Multiple Advance:** The principal sum shown above is the maximum amount of principal I can borrow under this note. On \_\_\_\_\_ I will receive the amount of 8 and future principal advances are contemplated.

Conditions: The conditions for future advances are \_\_\_\_\_

**Open End Credit:** You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on \_\_\_\_\_.

**Closed End Credit:** You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

INTEREST: I agree to pay interest on the outstanding principal balance from 08-10-2004 at the rate of 8.000 % per year until 07-20-2007.

**Variable Rate:** This rate may then change as stated below.

**Index Rate:** The future rate will be \_\_\_\_\_ the following index rate: \_\_\_\_\_

**No Index:** The future rate will not be subject to any internal or external index. It will be entirely in your control.

**Frequency and Timing:** The rate on this note may change as often as \_\_\_\_\_  
A change in the interest rate will take effect \_\_\_\_\_

**Limitations:** During the term of this loan, the applicable annual interest rate will not be more than \_\_\_\_\_ % or less than \_\_\_\_\_ %. The rate may not change more than \_\_\_\_\_ % each \_\_\_\_\_

**Effect of Variable Rate:** A change in the interest rate will have the following effect on the payments:

The amount of each scheduled payment will change.  The amount of the final payment will change.

ACCRUAL METHOD: Interest will be calculated on a Actual/365 basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:

on the same fixed or variable rate basis in effect before maturity (as indicated above).  
 at a rate equal to the highest rate allowed by law.

LATE CHARGE: If a payment is made more than \_\_\_\_\_ days after it is due, I agree to pay a late charge of \_\_\_\_\_

ADDITIONAL CHARGES: In addition to interest, I agree to pay the following charges which  are  are not included in the principal amount above: \_\_\_\_\_

PAYMENTS: I agree to pay this note as follows:

On demand, but if no demand is made then 34 monthly payments of \$300.00 beginning 09-20-2004 and 1 balloon payment of \$152.33 on 07-20-2007.

**ADDITIONAL TERMS:**

The minimum fee in lieu of interest will be \$20.00

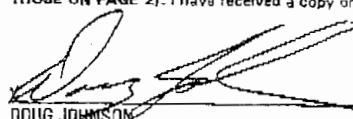
**SECURITY:** This note is separately secured by (describe separate document by type and date):

**SECURITY AGREEMENT(S) & VEHICLES**

(This section is for your internal use. Failure to list a separate security document does not mean the agreement will not secure this note.)

**PURPOSE:** The purpose of this loan is RENEWAL OF EQUIPMENT & '98 FORD PICKUP

**SIGNATURES:** I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON PAGE 2). I have received a copy on today's date.

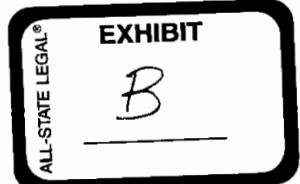
  
DOUG JOHNSON

Signature for Lender

UNIVERSAL NOTE

Exhibit™ © 1984, 1991 Bancorp Systems, Inc., St. Cloud, MN Form UN 3/4/2002

(Page 1 of 2)





		(not required)	THROUGH:		
8-9-04	\$ 9200.00		\$ 9200.00	800%	\$ 84,69
9-21-04	\$ -	Ch	\$ 215.31	\$ 8984.69	\$ 59.08
10-21-04	\$ -	Ch	\$ 240.92	\$ 8743.71	\$ 68.99
11-26-04	\$ -	Ch	\$ 231.01	\$ 8512.70	\$ 52.84
12-27-04	\$ -	W	\$ 248.16	\$ 8264.54	\$ 54.38
1-26-05	\$ -	Ch	\$ 245.62	\$ 8024.98	\$ 47.49
2-22-05	\$ -	Ch	\$ 252.51	\$ 7772.47	\$ 52.81
3-25-05	\$ -	Ch	\$ 247.19	\$ 7525.28	\$ 46.18
4-22-05	\$ -	Ch	\$ 253.83	\$ 7271.46	\$ 49.40
5-27-05	\$ -	W	\$ 250.50	\$ 7020.89	\$ 49.34
6-24-05	\$ -		\$ 230.76	\$ 6.770.24	\$ 37.10

34 monthly payments of \$300.00 begin 9-20-04

DEBTOR NAME AND ADDRESS	SECURED PARTY NAME AND ADDRESS
DOUGLAS D. JOHNSON 5TH DAVID ST PO BOX 352 LYNN, NC 28746	Brunswick State Bank 314 Main St. POB 131 Wilmington, NC 28799
508-88-8888	
Type: <input type="checkbox"/> individual <input type="checkbox"/> partnership <input type="checkbox"/> corporation _____ State of organization/registration (if applicable) NC <input type="checkbox"/> If checked, refer to addendum for additional Debtors and signatures.	

## COMMERCIAL SECURITY AGREEMENT

The date of this Commercial Security Agreement (Agreement) is 08-11-2004

SECURED DEBTS. This Agreement will secure all sums advanced by Secured Party under the terms of this Agreement and the payment and performance of the following described Secured Debts that (check one)  Debtor  (Borrower) owes to Secured Party: Specific Debts. The following debts and all extensions, renewals, refinancings, modifications, and replacements (describe):

All Debts. All present and future debts, even if this Agreement is not referenced, the debts are also secured by other collateral, or the future debt is unrelated to or of a different type than the current debt. Nothing in this Agreement is a commitment to make future loans or advances.

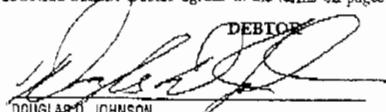
**SECURITY INTEREST.** To secure the payment and performance of the Secured Debts, Debtor gives Secured Party a security interest in all of the Property described in this Agreement that Debtor owns or has sufficient rights in which to transfer an interest, now or in the future, wherever the Property is or will be located, and all proceeds and products of the Property. "Property" includes all parts, accessories, repairs, replacements, improvements, and accessions to the Property; any original evidence of title or ownership; and all obligations that support the payment or performance of the Property. "Proceeds" includes anything received upon the sale, lease, license, exchange, or other disposition of the Property; any rights and claims arising from the Property; and any collections and distributions on account of the Property. This Agreement remains in effect until terminated in writing, even if the Secured Debts are paid and Secured Party is no longer obligated to advance funds to Debtor or Borrower.

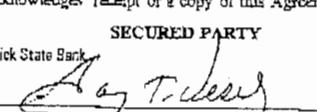
**PROPERTY DESCRIPTION.** The Property is described as follows:

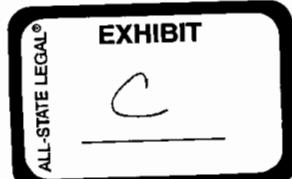
- Accounts and Other Rights to Payment: All rights to payment, whether or not earned by performance, including, but not limited to, payment for property or services sold, leased, rented, licensed, or assigned. This includes any rights and interests (including all liens) which Debtor may have by law or agreement against any account debtor or obligor of Debtor.
- Inventory: All inventory held for ultimate sale or lease, or which has been or will be supplied under contracts of service, or which are raw materials, work in process, or materials used or consumed in Debtor's business.
- Equipment: All equipment including, but not limited to, machinery, vehicles, furniture, fixtures, manufacturing equipment, farm machinery and equipment, shop equipment, office and record keeping equipment, parts, and tools. The Property includes any equipment described in a list or schedule Debtor gives to Secured Party, but such a list is not necessary to create a valid security interest in all of Debtor's equipment.
- Instruments and Chattel Paper: All instruments, including negotiable instruments and promissory notes and any other writings or records that evidence the right to payment of a monetary obligation, and tangible and electronic chattel paper.
- General Intangibles: All general intangibles including, but not limited to, tax refunds, patents and applications for patents, copyrights, trademarks, trade secrets, goodwill, trade names, customer lists, permits and franchises, payment intangibles, computer programs and all supporting information provided in connection with a transaction relating to computer programs, and the right to use Debtor's name.
- Documents: All documents of title including, but not limited to, bills of lading, dock warrants and receipts, and warehouse receipts.
- Farm Products and Supplies: All farm products including, but not limited to, all poultry and livestock and their young, along with their produce, products, and replacements; all crops, annual or perennial, and all products of the crops; and all feed, seed, fertilizer, medicines, and other supplies used or produced in Debtor's farming operations.
- Government Payments and Programs: All payments, accounts, general intangibles, and benefits including, but not limited to, payments in kind, deficiency payments, letters of entitlement, warehouse receipts, storage payments, emergency assistance and diversion payments, production flexibility contracts, and conservation reserve payments under any preexisting, current, or future federal or state government program.
- Investment Property: All investment property including, but not limited to, certificated securities, uncertificated securities, securities entitlements, securities accounts, commodity contracts, commodity accounts, and financial assets.
- Deposit Accounts: All deposit accounts including, but not limited to, demand, time, savings, passbook, and similar accounts.
- Specific Property Description: The Property includes, but is not limited by, the following (if required, provide real estate description):

USE OF PROPERTY. The Property will be used for  personal  business  agricultural  purposes.

SIGNATURES. Debtor agrees to the terms on pages 1 and 2 of this Agreement and acknowledges receipt of a copy of this Agreement.

  
DEBTOR  
DOUGLAS D. JOHNSON

  
SECURED PARTY  
Brunswick State Bank  
Ray T. Deasy



Mon Aug 30 2004

02:23:56

## UCC Filing Results

This UCC Initial Financing Statement has been successfully filed with the Secretary of State's Office. Please print this page as your Acknowledgment of Filing.

**Secretary of State Filing Number: 9804211355-9**

Filed in Nebraska@ Online on 08/30/2004 02:23 PM

### Debtor(s)

- DOUGLAS D JOHNSON (Individual)  
SSN/FTIN: 508888856  
5TH DAVID ST PO BOX 552  
LYNCH, NE 68746

### Secured Party(s)

- BRUNSWICK STATE BANK #221 (Entity)  
314 MAIN ST. POB 131  
WINNETOON, NE 68789

### Collateral:

Personal property described as follows: Accounts and Other Rights to Payment, Inventory, Equipment, Instruments and Chattel Paper, General Intangibles, Documents, farm Products and Supplies, Government Payments and Programs, Investment Property, Deposit Accounts.

### Actions

Description	Filing Date	Document Number	Number Of Pages In Image
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Please click [here](#) to continue. Do NOT press the Back button – you risk attempting to file this Financing Statement again.



Page 1

## Nebraska Effective Financing Statement

EFS-1

This Statement must be typed. Illegible forms will be returned without filing.

All amounts/quantities of farm products listed, unless otherwise designated above, located or produced in the counties designated above, are subject to the secured party's security interest; unless a specific crop year is indicated, this Statement is applicable for every crop year for the duration of this statement and any continuation thereof.

*Signature of Debtor/Defendant*  
DOUGLAS D. JOHNSON

*Signature of Specified Party below:*

Ernst von Brunn.

By John P. Vassal

To Be Filed with: Nebraska Secretary of State  
UCC Division  
PO Box 95104  
Lincoln, NE 68509

RIGHT COPY - UCC DIV.  
Cantons Supplies, Inc., St. 24

RIGHT COPY - URGENT DIV. SECOND COPY - SECURED PARTY  
Centura Specialty, Inc., St. Cloud, MN Form EFS-14/LAZINE 3/2/2002

THIRD COPY - DIRECTOR

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Common Law

**EXHIBIT**

E

Statement of Assets and Liabilities and Loan Application presented to the BRUNSWICK STATE BANK

Name Douglas D Johnson	DOB 1-23-69	Name SS# 508-88-8856	DOB DL# D.A.E 1-22-01- exp 1-23-06
Address 514 David St. PO Box 152 Lynch, Nebr.	AS OF DATE 11-12-04		

You are requested to complete the following statement about your assets and liabilities. Disclose all liabilities regardless of when they are payable. Please be thoughtful about the completion of this statement. A bank officer may help you in completion of this statement, but you are responsible for the correctness and truthfulness of all dollar values and other information given herewith.

ASSETS		LIABILITIES	
Current Assets		Current Liabilities (those due within one year of this statement)	
Bank deposits	1500-	Short term loans at BSB	20,000-
Money owed to you by others		Accrued interest on loans at BSB	150-
Livestock, grain, feed, supplies, inventory		Other loans or open accounts	
35 - Pairs Cattle 60% 26250-		Unpaid medical expenses	
30 Tons hay at 45	1350-	Unpaid credit card debt	-0-
25 Tons Straw at 20	500-	RE & PP taxes, not delinquent	
Corn & Cornover	6500-	RE & PP taxes, delinquent	
Other current assets		Federal & state income taxes Estimated Actual	
Total Current Assets	\$ 31,100-	Principal of long term liabilities due in 1 year	
Breeding livestock		Accrued Interest on long term liabilities	
Real estate (see backside)	7500-	Total Current Liabilities	\$ 20,150-
Licensed vehicles & trailers (see backside)	10,500-	Long term liabilities	Total debt
Machinery & equipment (see backside)	3000-	B&B	500- 8750-
WAGES - 21,000.		Total Liabilities	\$ 28,900-
Total Assets	\$ 52,100-	Assets less liabilities (net worth)	\$ 23,200-

EQUAL CREDIT OPPORTUNITY NOTICE

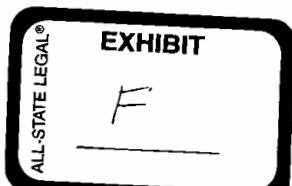
Were your gross revenues \$1,000,000 or less in the previous fiscal year. YES  NO   
If you answered "yes" and the Creditor denies your application for credit, you have the right to a written statement of the specific reasons for the denial. To obtain the statement please contact the President Brunswick State Bank POB 29 Brunswick, NE 68720 within 60 days from the date you are notified of the Creditor's decision. The Creditor will send you a written statement of reasons for the denial within 30 days of receiving your request.

This information and information provided on all accompanying statements and schedules is provided for the purpose of obtaining credit for the Applicant(s) or for the purpose of the Applicant(s) guaranteeing credit for others. Applicant(s) acknowledge that representations made in this statement will be relied on by the Creditor in its decision to grant such credit. This Statement is true and correct in every detail and accurately represents the financial condition of the Applicant(s) on the date stated above. Applicant(s) are aware that any knowing or willful false statements regarding the value of the above property or understatement or omission of liabilities for purposes of influencing the actions of Creditor can be a violation of law and may result in a fine or imprisonment or both.

Creditor is authorized to make all inquiries it deems necessary to verify the accuracy of the information contained herein and to determine the creditworthiness of the Applicant(s). Applicant(s) will promptly notify Creditor of any subsequent changes which would affect the accuracy of this Statement. Creditor is further authorized to answer any question about Creditor's credit experience with Applicant(s). In addition, each individual signing below authorizes the Creditor to check their individual credit account and have a credit reporting agency prepare a credit report on them.

The undersigned declare the he/she has read and understands the statements above.

Applicant Signature	11-12-04 Date	Applicant Signature	11-12-04 Date
Witness Signature		Witness Signature	



101100

DOUG JOHNSON  
PO BOX 632  
LYNCH, NE 68746

Brunswick State Bank  
314 Main St POB 131  
Winneton, NE 68789

Loan Number  
Date 11-12-2004  
Maturity Date 11-12-2005  
Loan Amount \$ 25,000.00  
Renewal Of 100378

## BORROWER'S NAME AND ADDRESS

"I" includes each borrower above, jointly and severally.

## LENDER'S NAME AND ADDRESS

"You" means the lender, its successors and assigns.

For value received, I promise to pay to you, or your order, at your address listed above the PRINCIPAL sum of twenty five thousand and no/100

Dollars \$ 25,000.00

 **Single Advance:** I will receive all of this principal sum on \_\_\_\_\_ No additional advances are contemplated under this note. **Multiple Advance:** The principal sum shown above is the maximum amount of principal I can borrow under this note. On 11-12-2004

I will receive the amount of \$20,000.00 and future principal advances are contemplated.

Conditions: The conditions for future advances are \_\_\_\_\_

 **Open End Credit:** You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on 11-12-2005 **Closed End Credit:** You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

INTEREST: I agree to pay interest on the outstanding principal balance from 11-12-2004 at the rate of 7.500 % per year until 11-13-2004

 **Variable Rate:** This rate may then change as stated below. **Index Rate:** The future rate will be 0.500 percent above the following index rate: Lender's reference rate. The result of this calculation will be rounded to the nearest 0.125 **No Index:** The future rate will not be subject to any internal or external index. It will be entirely in your control. **Frequency and Timing:** The rate on this note may change as often as every day beginning 11-13-2004

A change in the interest rate will take effect On the same day

 **Limitations:** During the term of this loan, the applicable annual interest rate will not be more than \_\_\_\_\_ % or less than \_\_\_\_\_ %. The rate may not change more than \_\_\_\_\_ % each \_\_\_\_\_**Effect of Variable Rate:** A change in the interest rate will have the following effect on the payments: The amount of each scheduled payment will change.  The amount of the final payment will change.

ACCRUAL METHOD: Interest will be calculated on a Actual/365 basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:

 on the same fixed or variable rate basis in effect before maturity (as indicated above). at a rate equal to \_\_\_\_\_ LATE CHARGE: If a payment is made more than \_\_\_\_\_ days after it is due, I agree to pay a late charge of \_\_\_\_\_ ADDITIONAL CHARGES: In addition to interest, I agree to pay the following charges which  are  are not included in the principal amount above: \_\_\_\_\_

PAYMENTS: I agree to pay this note as follows:

On demand, but if no demand is made then interest on the amount of credit outstanding due at maturity and principal due on 11-12-2005.

## ADDITIONAL TERMS:

The minimum fee in lieu of interest will be \$20.00

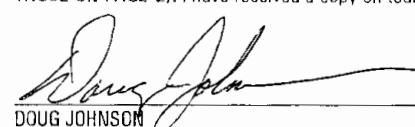
**SECURITY:** This note is separately secured by (describe separate document by type and date):

## SECURITY AGREEMENT(S) &amp; VEHICLES

(This section is for your internal use. Failure to list a separate security document does not mean the agreement will not secure this note.)

PURPOSE: The purpose of this loan is RENEWALS &amp; OP \_\_\_\_\_

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON PAGE 2). I have received a copy on today's date.



DOUG JOHNSON

Signature for Lender

## UNIVERSAL NOTE

EXHIBIT

G

ALL-STATE LEGAL

Name Doug Johnson

DDA 48-386-8

Maximum s 25,000.00

Maturity 11-12-05

#101100

Purpose or Source	Handled By	Date	Rate	Amount Advanced	Amount of Payment	Principal Balance	Days Out	Interest Earned	Interest	
									Acc Int	Total Interest
OP	GV	11-12-04	7.50	20,000.00		20,000.00	15	41 10		
4 Sheets		11.22.04	7 1/2	3000.00	22,000.00	15	67 80	108 90 Acc Int	Acc Int	
1 Sheet	XO	12.7.04	7 1/2	500.00	22,500.00	13	60 11	169 00 Acc Int	Acc Int	
1 Sheet	XO	12.20.04	7 1/2	500.00	23,000.00	3		178 46 Acc Int	Acc Int	
ref	XO	12.28.04	7 1/2	500.00	23,500.00	21	130 38	308 83 Acc Int	Acc Int	
Operating	XO	1.18.05	7 1/2	500.00	24,000.00	7	34 52	343 35 Acc Int	Acc Int	
Operating	XO	1.25.05	7 1/2	1000.00	25,000.00					

B 104 (Rev. 2/92) <b>ADVERSARY PROCEEDING COVER SHEET</b> (Instructions on Reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only)						
<b>PLAINTIFFS</b> Brunswick State Bank		<b>DEFENDANTS</b> Douglas Dale Johnson						
<b>ATTORNEYS</b> (Firm Name, Address, and Telephone No.) Victor E. Covalt III P.O. Box 81229 Lincoln, NE 68501-1229 (402) 436-3030		<b>ATTORNEYS</b> (If Known) Ronald Albin P.O. Box 1326 Norfolk, NE 68702						
<b>PARTY</b> (Check one box only) <input type="checkbox"/> 1 U.S. PLAINTIFF <input type="checkbox"/> 2 U.S. DEFENDANT <input checked="" type="checkbox"/> 3 U.S. NOT A PARTY								
<b>CAUSE OF ACTION</b> (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED)								
(1) Non-Dischargeable Debt 11 U.S.C. 523(a)(2) (2) Non-Dischargeable Debt 11 U.S.C. 523 (a)(2) (3) Denial of Discharge 11 U.S. C. 727 (a) (4) (4) Denial of Discharge 11 U.S.C. 727 (a)(5) (5) Non-Dischargeable Debt 11 U.S.C. 523 (1)(6) (6) Action on Note - State Law (7) Action on Note - State Law								
<b>NATURE OF SUIT</b> (Check the one most appropriate box only.)								
<input type="checkbox"/> 454 To Recover Money or Property <input type="checkbox"/> 435 To Determine Validity, Priority, or Extent of a Lien or Other Interest in Property <input type="checkbox"/> 458 To obtain approval for the sale of both the interest of the estate and of a co-owner in property <input checked="" type="checkbox"/> 424 To object or to revoke a discharge 11 U.S.C. § 727			<input type="checkbox"/> 455 To revoke an order of confirmation of a Chap. 11, Chap. 12, or Chap. 13 Plan <input type="checkbox"/> 426 To determine the dischargeability of a debt 11 U.S.C. § 523 <input type="checkbox"/> 434 To obtain an injunction or other equitable relief <input type="checkbox"/> 457 To subordinate any allowed claim or interest except where such subordination is provided in a plan			<input type="checkbox"/> 456 To obtain a declaratory judgment relating to any of foregoing causes of action <input type="checkbox"/> 459 To determine a claim or cause of action removed to a bankruptcy court <input type="checkbox"/> 498 Other (specify)		
<b>ORIGIN OF PROCEEDINGS</b> (Check one box only.) <input checked="" type="checkbox"/> 1 Original Proceeding		<input type="checkbox"/> 2 Removed Proceeding		<input type="checkbox"/> 4 Reinstated or Reopened		<input type="checkbox"/> 5 Transferred from Another Bankruptcy Court		<input type="checkbox"/> CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23
<b>DEMAND</b> \$ 31,257.00		<b>OTHER RELIEF SOUGHT</b> Denial of Discharge						<input type="checkbox"/> JURY DEMAND Check only if demanded in complaint
<b>BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES</b>								
<b>NAME OF DEBTOR</b> Douglas Dale Johnson				<b>BANKRUPTCY CASE NO.</b> BK 05-43452				
<b>DISTRICT IN WHICH CASE IS PENDING</b> Nebraska		<b>DIVISIONAL OFFICE</b>			<b>NAME OF JUDGE</b> Timothy J. Mahoney			
<b>RELATED ADVERSARY PROCEEDING (IF ANY)</b>								
<b>PLAINTIFF</b>		<b>DEFENDANT</b>			<b>ADVERSARY PROCEEDING NO.</b>			
<b>DISTRICT</b>		<b>DIVISIONAL OFFICE</b>			<b>NAME OF JUDGE</b>			
<b>FILING FEE</b> (Check one box only.)		<input checked="" type="checkbox"/> FEE ATTACHED		<input type="checkbox"/> FEE NOT REQUIRED		<input type="checkbox"/> FEE IS DEFERRED		
<b>DATE</b> 12-06-2005		<b>PRINT NAME</b> Victor E. Covalt III, Attorney at Law			<b>SIGNATURE OF ATTORNEY (OR PLAINTIFF)</b> 			

B 104

### **ADVERSARY PROCEEDING COVER SHEET (Reverse Side)**

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This cover sheet must be completed by the plaintiff's attorney (or by the plaintiff if the plaintiff is not represented by an attorney) and submitted to the clerk of the court upon the filing of a complaint initiating an adversary proceeding.

The cover sheet and the information contained on it *do not* replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. This form is required for the use of the clerk of the court to initiate the docket sheet and to prepare necessary indices and statistical records. A separate cover sheet must be submitted to the clerk of the court for each complaint filed. The form is largely self explanatory.

**Parties.** Give the names of the parties to the adversary proceeding *exactly* as they appear on the complaint. Give the names and addresses of the attorneys if known. Following the heading "Party," check the appropriate box indicating whether the United States is a party named in the complaint.

**Cause of Action.** Give a brief description of the cause of action including all federal statutes involved. For example, "Complaint by trustee to avoid a transfer of property by the debtor, 11 U.S.C. § 544."

**Nature of Suit.** Place an "X" in the appropriate box. Only one box should be checked. If the cause of action fits more than one category of suit, select the most definitive.

**Origin of Proceedings.** Check the appropriate box to indicate the origin of the case:

1. Original Proceeding.
2. Removed from a State or District Court.
4. Reinstated or Reopened.
5. Transferred from Another Bankruptcy Court.

**Class Action.** Place an "X" in this box if you are filing a class action under Rule 23, Fed. R. Civ. P., as made applicable by Rule 7023, Fed. R. Bankr. P.

**Demand.** In this space enter the dollar amount being demanded in the complaint. If no monetary demand is made, enter "XXXX." If the plaintiff is seeking non-monetary relief, state the relief sought, such as injunction or foreclosure of a mortgage.

**Jury Demand.** Check the box only if a jury trial is demanded in the complaint.

**Bankruptcy Case in Which This Adversary Proceeding Arises.** Enter the name of the debtor and the docket number of the bankruptcy case from which the proceeding now being filed arose. Beneath, enter the district and divisional office where the case was filed, and the name of the presiding judge.

**Related Adversary Proceedings.** State the names of the parties and the six digit adversary proceeding number from any adversary proceeding concerning the same two parties or the same property currently pending in any bankruptcy court. On the next line, enter the district where the related case is pending, and the name of the presiding judge.

**Filing Fee.** Check one box. The fee must be paid upon filing unless the plaintiff meets one of the following exceptions. The fee is not required if the plaintiff is the United States government or the debtor. If the plaintiff is the trustee or a debtor in possession, and there are no liquid funds in the estate, the filing fee may be deferred until there are funds in the estate. (In the event no funds are ever recovered for the estate, there will be no fee.) There is no fee for adding a party after the adversary proceeding has been commenced.

**Signature.** This cover sheet must be signed by the attorney of record in the box on the right of the last line of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is *pro se*, that is, not presented by an attorney, the plaintiff must sign.

The name of the signatory must be printed in the box to the left of the signature. The date of the signing must be indicated in the box on the far left of the last line.